

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent, Sharron Zoller, has been an elementary school principal of the Potter Valley Community Unified School District (“school district”) for the past 18 years. As an elementary school principal, Respondent is a designated employee of the school district, as defined in Section 82019, subdivision (c), of the Political Reform Act (the “Act”),<sup>1</sup> and in the school district’s conflict of interest code.

As required by the Act and the school district’s conflict of interest code, each designated employee of the school district must file an annual statement of economic interests by April 1<sup>st</sup> of each year (unless April 1<sup>st</sup> falls on a Saturday, Sunday, or official holiday, in which case the filing deadline is extended to the next regular business day).<sup>2</sup> On the statement of economic interests, the designated employee must disclose the reportable economic interests that he or she held during the preceding calendar year.

In this matter, Respondent failed to timely file a 2000 annual statement of economic interests by the April 2, 2001 due date.

The Enforcement Division handled this case on an expedited basis under the SEI Expedited Procedures adopted by the Commission in July of 1999.

For the purposes of this Stipulation, Respondent’s violation is as follows:

**COUNT 1:** As a designated employee of the Potter Valley Community Unified School District, Sharron Zoller failed to timely file a 2000 annual statement of economic interests, by April 2, 2001, in violation of Section 87300.

### **SUMMARY OF THE LAW**

An express purpose of the Act, as set forth in Section 81002, subdivision (c), is to assure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided.

In furtherance of this purpose, Section 87300 requires every agency to adopt and promulgate a

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<sup>1</sup> The Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

<sup>2</sup> Regulation 18116.

conflict of interest code. The agency's conflict of interest code must specifically designate the employees of the agency who are required to file statements of economic interests disclosing their reportable investments, business positions, interests in real property, and other income. Under Section 82019, subdivision (c), and Section 87302, subdivision (a), the persons who are to be designated in an agency's conflict of interest code are the officers, employees, members, and consultants of the agency, whose position with the agency entails making, or participating in making, governmental decisions that may have a reasonably foreseeable material effect on a financial interest.

Under Section 87302, subdivision (b), an agency's conflict of interest must require every designated employee of the agency to file an annual statement of economic interests, for each year that the employee remains in office, at a time specified in the agency's conflict of interest code. On the statement of economic interests, a designated employee must disclose his or her reportable economic interests from the preceding calendar year.

Under Section 87300, the requirements of an agency's conflict of interest code have the force of law, and any violation of those requirements is deemed a violation of the Act.

### **SUMMARY OF THE FACTS**

Respondent, Sharron Zoller, has served as an elementary school principal of the Potter Valley Community Unified School District for the past 18 years. Respondent is a designated employee of the school district, as defined in Section 82019, subdivision (c), and in the conflict of interest code for the school district.

The school district's conflict of interest code requires Respondent to file an annual statement of economic interests ("SEI"), for each year that she serves as a member of the Board of Education, by April 1st of the following year (unless April 1<sup>st</sup> falls on a Saturday, Sunday, or official holiday, in which case the filing deadline is extended to the next regular business day).

On January 29, 2001, Melissa Mack, the Deputy Clerk-Recorder for the County of Mendocino, sent a letter to Respondent, reminding her that her 2000 annual SEI was due by April 2, 2001. In spite of this reminder, Respondent failed to file her 2000 annual SEI by the April 2, 2001 due date. Ms. Mack therefore sent a second letter to Respondent on April 4, 2001, advising her that her 2000 annual SEI became past due. When Respondent did not respond to this second letter, Ms. Mack referred the matter of Respondent's failure to file a 2000 annual SEI to the Enforcement Division of the Fair Political Practices Commission.

On May 24, 2001, Investigator Bonnie Swaim of the Enforcement Division spoke with Respondent by telephone, and reminded her that her 2000 annual SEI remained past due. The next day, on May 25, 2001, Respondent filed the statement.

### **ADDITIONAL FACTS**

Respondent has a prior history of filing late SEIs. In 1998, Respondent filed her 1997 annual SEI two weeks late, on April 15, 1998. In 1999, Respondent filed her 1998 annual SEI more than two months late, on June 15, 1999. In both instances, no action was required by the Enforcement Division to induce Respondent to file.

### **CONCLUSION**

This matter consists of one count of violating Section 87300, which carries a maximum administrative penalty of Five Thousand Dollars (\$5,000). However, under the SEI Expedited Procedures adopted by the Commission in July 1999, the approved administrative penalty for an individual who files a delinquent SEI within 30 days of being contacted by the Enforcement Division is between Two Hundred and Three Hundred Dollars (\$200-\$300).

The facts of this case, particularly the fact that Respondent has a prior history of delinquent filings, justify imposition of the agreed upon penalty of Three Hundred Dollars (\$300).